### <u>REMARKS</u>

Claims 1, 3-9, 11-13 and 15 are now pending in the application. Applicant would like to thank the Examiner for the thorough consideration given to the present application and the courtesies extended to applicant's representative during a telephone interview on August 4, 2005. During that interview, the Examiner indicated that the arguments presented below would overcome the current rejection of Claims 1, 3-5 and 11, but that these amendments may also necessitate further consideration. The Examiner is respectfully requested to reconsider and withdraw the rejection(s) in view of the amendments and remarks contained herein.

### REJECTION UNDER 35 U.S.C. § 102

Claims 17 and 18 stand rejected under 35 U.S.C. §102(e) as being anticipated by U.S. Patent No. 6,137,604 (Bergano). This rejection is respectfully traversed.

It is believed that the pending claims are patentably distinct over this reference. However, in order to expedite prosecution of this application, Claims 17 and 18 have been cancelled from the application. Accordingly, applicants respectfully request the Examiner withdraw this rejection.

# REJECTION UNDER 35 U.S.C. § 103

Claims 1, 3-5 and 11 stand rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 6,738,181 (Nakamoto) in view of Applicant's admitted prior art. This rejection is respectfully traversed.

Nakamoto fails to teach or suggest performing signal impairment compensation on each of the optical signal within a given layer as explained in Applicant's previous response. Rather, Nakamoto teaches away from performing dispersion compensation on each of the optical signals within a given layer. During the interview, the Examiner asserted that performing signal impairment compensation for each optical signal in each layer would have been obvious to one skilled in the art. In view of the contradictory teaching of Nakamoto, the Examiner has agreed another reference would be required to maintain the rejection of these claims. Accordingly, Applicant respectfully requests reconsideration and withdrawal of this rejection.

## ALLOWABLE SUBJECT MATTER

Applicant respectfully acknowledges the Examiner's indication of the allowable claims.

#### CONCLUSION

It is believed that all of the stated grounds of rejection have been properly traversed, accommodated, or rendered moot. Applicant therefore respectfully requests that the Examiner reconsider and withdraw all presently outstanding rejections. It is believed that a full and complete response has been made to the outstanding Office Action, and as such, the present application is in condition for allowance. Thus, prompt and favorable consideration of this amendment is respectfully requested.

If the Examiner believes that personal communication will expedite prosecution of this application, the Examiner is invited to telephone the undersigned at (248) 641-1600.

Respectfully submitted,

Dated: Auc. 30, 2005

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